

FISCAL NOTE

SB 3475 - HB 3431

February 13, 2008

SUMMARY OF BILL: Requires the Tennessee Higher Education Commission (THEC) to promulgate rules for the operation of proprietary schools in Tennessee. Such rules shall require each proprietary school to distribute written information about the school to prospective students; sets the maximum annual tuition that may be charged at such schools; increases the fee structure for authorizing their operation; and earmarks such increased fees to increase the number of proprietary school regulation staff at THEC.

ESTIMATED FISCAL IMPACT:

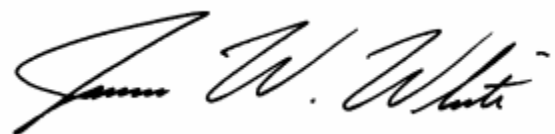
Increase State Revenue - \$141,600/Earmarked to THEC
Increase State Expenditures – Not Significant

Assumptions:

- Tenn. Code Ann. §49-7-2014 authorizes THEC to set fees annually to collect revenue sufficient to cover the costs of this regulatory function.
- The increase in fees to be collected by THEC will be accordance with the fee schedule for postsecondary school authorization set out in the bill.
- Under the current fee schedule, an amount of \$504,390 is collected from proprietary schools.
- Under the proposed fee schedule, an increase in state revenue of \$141,610 would be collected from proprietary schools for postsecondary school authorization.
- Under the bill, the revenue generated from such increase in fees will be earmarked for use by THEC to increase the number of regulation staff.
- Any cost to THEC for the promulgation of rules can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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